

## China Literature Limited Announces the Change of the Management Team

### Driving Deeper Collaboration between Tencent and China Literature to Promote IP Adaptation and the New Creative Literate Content Ecosystem

Hong Kong, April 27, 2020 – China Literature Limited (“China Literature” or the “Company”, together with its subsidiaries, the “Group”, stock code: 0772.HK), a leading online literature platform in China, announced changes to its management team. Certain members of the senior management team including Mr. Wu Wenhui and Mr. Liang Xiaodong, currently the Co-Chief Executive Officers, Mr. Shang Xuesong, the President, and Mr. Lin Tingfeng, the Senior Vice President, have resigned. Mr. Wu Wenhui will be re-designated as a non-executive Director and Vice Chairman of the Board, and Mr. Liang Xiaodong and other senior management will serve as consultants to the Group, to facilitate the smooth transition and development of the management team. Meanwhile, Mr. Cheng Wu, currently a Vice President of Tencent Holdings Limited (“Tencent”) and the Chief Executive Officer of Tencent Pictures, has been appointed by the board as the Chief Executive Officer and an executive Director of China Literature; and Mr. Hou Xiaonan, the Vice President of Tencent’s Platform and Content Group, has been appointed by the board as the President and an executive Director of China Literature, so as to lead China Literature towards a new stage of development through deepening the cooperation with Tencent and other industry partners.

After five years’ development, China Literature has become the leading digital reading platform and literature intellectual property (“IP”) incubator, with 8.1 million writers, 12.2 million literary works and hundreds of millions of readers. It is pioneering development of the industry, in particular the trends toward high-quality IP and a content ecosystem through the integration of online literature and digital content formats such as TV series, movies, anime, and games. Mr. Wu Wenhui and other members of the senior management team decided to retire given the Group has reached these new milestones.

Mr. James Mitchell, the Chairman of China Literature, commented, “China Literature has become a vital source of original IPs for creative industries in China. We express our sincere gratitude to Mr. Wu, Mr. Liang, and the other core management team members for their significant contribution in leading China Literature to become the leading online literature platform in China. We look forward to the new management team further energizing China Literature’s platform, and deepening cooperation between China Literature and key partners such as Tencent in activities including TV series, movies, and games.”

In recent years, China Literature has been promoting technological innovation and exploring business models which exhibit higher value for its users, further leading the industry into a new development phase. Mr. Wu Wenhui said, “This year marks the fifth anniversary of the establishment of China Literature as well as the eighteenth anniversary of Qidian.com. As one of the founders, I witness that the Group has indeed entered a new stage of growth. Together with several other management, I decided to retire with honour upon completion of our mission in bringing the Group to the new stage. In the future, it is essential for China Literature to build on our IP portfolio in establishing a more open ecosystem and new commercial rules to embrace future trends. This requires a thorough change in management to propel China Literature forwards in areas such as business innovation, technological breakthrough, IP creation and establishment of ecosystem.”

Mr. Cheng Wu, the newly appointed Chief Executive Officer of China Literature, said, “ I would like to express my thanks to Mr. Wu Wenhui and the founding team for their trust to delegate authority to the new management team and continue to support the development of China Literature. We are confident in pushing forward the upgrade of China Literature from the largest copyrighted digital reading platform and literature IP incubator in the industry to an even stronger literature content ecosystem. We expect the upgrade in three aspects. Firstly, we will strengthen the core business through enhancing IP incubation capability, solidifying fundamentals, and speeding up the development across sectors to accelerate our IP development. Secondly, we will strengthen the connection capability of our platform through establishing stronger connection between the products of China Literature and Tencent’s properties. Finally, building on our proven paid reading model, we will expand our business through upgrading our business models in areas such as new technology and industrial internet.”

Mr. Cheng Wu, who joined Tencent in 2009, currently serves as the Vice President of Tencent and the Chief Executive Officer of Tencent Pictures, and is responsible for Tencent’s Marketing and Public Relations Department, and has been leading the marketing departments of Tencent Interactive Entertainment Group. In 2013, he and Mr. Wu Wenhui jointly played a critical role in founding Tencent Literature and served as the President of Tencent Literature and the Chief Executive Officer of Tencent Literature, respectively. In March 2015, upon the establishment of China Literature, he served as a director for a certain period to provide continuous supports to Mr. Wu Wenhui and the management team. He proactively promoted the collaboration of China Literature and New Classics Media with Tencent in areas including films, animes, comics and online games businesses, co-developing cross-industry representative works such as *Joy of Life* (庆余年) and *There Was a Lingjian Mountain a Long Time Ago* (从前有座灵剑山).

Hou Xiaonan currently serves as the Vice President of the Platform and Content Group of Tencent and holds various management positions for Tencent businesses including Tencent Open Platform (腾讯开放平台), YingYongBao (腾讯应用宝), Tencent WeStart (腾讯众创空间), Qingteng University (青腾大学) and Penguin Media Content Platform (腾讯内容开放平台). He has extensive and in-depth management experience in product planning and operation, business model innovation, resource integration and ecosystem cooperation.

### **About China Literature Limited**

China Literature Limited is a pioneer in the online literature market and operates China’s leading online literature platform. The Company owns nine major branded products. Among these, QQ Reading, a unified mobile content aggregation and distribution platform, is the flagship product. Other branded products focus on individual genres and their respective fan bases. China Literature’s shareholder and strategic partner, Tencent, provides the Company with exclusive content distribution access via its suite of leading mobile and Internet products, including Mobile QQ, QQ Browser, Tencent News, Weixin Reading and Tencent Video. The Company also has distribution beyond the Tencent platforms by pre-installing Apps on handsets partners such as OPPO, Huawei and VIVO, as well as licensing content to third-party partners such as Baidu, Sogou, JD.com and Xiaomi Duokan. China Literature monetizes its vast and proprietary content library mainly through online paid reading and content adaptations for a variety of entertainment formats. China Literature’s diverse and high-quality content library is a significant competitive advantage that lies at the core of its business model. In 2018, China Literature further expanded its content capabilities

downstream by acquiring New Classics Media, a renowned TV series, web series and film production company in China. For more information, please visit <http://ir.yuewen.com/>.

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### **Forward-Looking Statements**

*This press release contains forward-looking statements relating to the industry and business outlook, forecast business plans and growth strategies of the Company. These forward-looking statements are based on information currently available to the Company and are stated herein on the basis of the outlook at the time of this press release. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realized in future. Underlying the forward-looking statements is a large number of risks and uncertainties. Further information regarding these risks and uncertainties is included in our other public disclosure documents on our corporate website.*